

TESTIMONY OF THE DEPARTMENT OF PUBLIC HEALTH
AND HUMAN SERVICES
BEFORE THE HOUSE JUDICIARY COMMITTEE
JANUARY 11, 2006

RE: HB 98 - "AN ACT ESTABLISHING A CHILDREN'S SYSTEM OF CARE ACCOUNT TO REDUCE OUT-OF-HOME PLACEMENTS OF HIGH-RISK CHILDREN WITH MULTIAGENCY SERVICE NEEDS; AMENDING SECTIONS 52-2-301 AND 52-2-308 MCA; AND PROVIDING AN EFFECTIVE DATE."

HB 98 is being introduced at the request of the Department of Public Health and Human Services. Its purpose is to better serve high-risk children who are seriously emotionally disturbed (SED) and who have multiagency service needs. The bill grew out of a very simple concept that we have heard repeatedly from families and advocates. Both have told us that the state could provide better treatment if we had more flexibility to purchase non-traditional services for youth with severe emotional disturbance. The bill does not ask for additional money, it does not mandate that anyone designate funds for this purpose, it simply allows for the flexibility to better spend existing resources.

With that background in mind, I will take you quickly through the sections of the bill.

Section 1 establishes a children's system of care account to reimburse in-state providers for services to keep a child in the least restrictive setting. Agencies named in 52-2-303 of the MCA (Department of Public Health and Human Services in the areas of mental health, child protective services, developmental disabilities, and chemical dependency; Office of Public Instruction; Department of Corrections; Youth Justice Council of the Board of Crime Control; and Youth Courts in the Supreme Court) have been working together for several years to find ways to better treat youth with multi-agency needs.

This new section of the bill gives these agencies another tool in their arsenal; by allowing them to deposit funds into an account that can be used to purchase services that are not "eligible for reimbursement from another source" (see subpart 3, lines 20-23).

Families often tell us that services like respite or classes on mental illness such as the 5-part series offered by NAMI are crucial to assist a family in keeping their youth at home. Unfortunately, these types of services are not covered by Medicaid. If this bill passes, services such as these could be purchased from the system of care account by taking the general fund portion of what we would have spent on a service such as a therapeutic group home, or perhaps even just family therapy, and spending it in another way.

Section 2 adds language making clear that it is the intent of the legislature that the involved agencies reduce out-of-home and out-of- community placements to the extent possible by using flexible funding.

Section 3 grants the Department of Public Health and Human Services rule making authority. Rules will need to be developed to govern how the money can be spent. We envision that use of these flexible dollars will be prior authorized to ensure that they will be spent in a prudent manner.

In summary, this bill does not mandate any agency to contribute to the children's system of care account. We believe that such a mandate would be counter-productive at this time. The involved agencies need some time to feel their way in reimbursing and evaluating the effectiveness of flexible services. We don't honestly know how many youth will use the service and I believe that all of the agencies involved would be reluctant to commit a certain dollar amount to the fund without some experience with voluntary use of this type of fund.

The bill also does not expand eligibility, nor does it create a mandate for any particular service to be provided. Children would have to be served by multiple agencies and be at high-risk for out-of-home or community placement to be eligible. Some children are served very well by existing services and would not need currently non-covered services such as respite.

Thank you for a good hearing. I urge you to pass HB 98. I will be available, along with staff from the Children's Mental Health Bureau, to answer any questions you might have.

Respectfully submitted,

Health Resources Division
Department of Public Health and Human Services